



City of Long Beach
Working Together to Serve

Memorandum

Date: March 20, 2007

To: Gerald R. Miller, City Manager *by cfs*

From: Suzanne R. Mason, Deputy City Manager *Suzanne R. Mason*
Michael A. Killebrew, Director of Financial Management *mk*

For: Members of the Budget Oversight Committee

Subject: **March 20, 2007 Budget Oversight Committee Meeting**

At the request of the Budget Oversight Committee at their February 27, 2007 meeting, the following information is attached for your review

1. City Council's Financial Policies – Items 1-3 (Attachment A)
2. Multi-Year Financial Plan (Attachment B)
3. FY 2007 First Quarter Budget Performance Report (Attachment C)
4. Discussion of items to be included in next month's agenda (Attachment D)

Attachments

CC: MAYOR AND MEMBERS OF THE CITY COUNCIL
CHRISTINE F. SHIPPEY, ASSISTANT CITY MANAGER
REGINALD I. HARRISON, DEPUTY CITY MANAGER
ROBERT SHANNON, CITY ATTORNEY
THOMAS REEVES, CITY PROSECUTOR
LAURA DOUD, CITY AUDITOR
DEPARTMENT HEADS

City of Long Beach Financial Policy Statements

I. Structurally Balanced Budget

A. Policy:

The annual budgets for all City funds will be structurally balanced throughout the budget process. Recurring revenues will equal or exceed recurring expenditures in both the Proposed and Adopted Budgets. If a structural imbalance occurs, a plan will be developed and implemented to bring the budget back into structural balance.

B. Purpose

To avoid using one-time resources to balance the annual budgets.

C. Definitions and Details

1. This policy applies to all General Government Budgets.
2. A structural imbalance occurs when recurring expenditures exceed recurring revenues.
3. Under this policy, the structural imbalance will be calculated at the time the Proposed and Adopted Budgets are submitted.
4. If it is necessary to use one-time resources to balance the budget, a plan for achieving a structural balance will be developed simultaneously that identifies revenue enhancements or expenditure decreases to bring the budget back into balance.
5. A plan to bring the Budget into balance will be developed no later than 30 days after the imbalance is identified.
6. Under no circumstances will a budget be recommended for adoption that is out of balance (requirements exceed resources).
7. Internal service funds are intended to operate on a break-even basis. While there may be imbalances from year-to-year, they should neither make an excess net profit nor a loss over the long run, and in no case should they create a negative fund balance. Spending plans should be available that take into account for the use of, or build up of, fund balance.

8. The identification of recurring and non-recurring revenues is a two-step process. The first step involves dividing general fund revenue into recurring and non-recurring categories. The second step involves examining the recurring revenue category to identify unusual revenue increases or decreases that are, in fact, unlikely to recur.
 - a. Step one involves the categorization of revenues. Recurring revenues are funds that the City can reasonably expect to continue over the next 10 to 15 years without a sunset provision or outside intervention. Recurring revenues include but may not be limited to property taxes, sales and use taxes, oil production taxes, utility user taxes, franchises, business licenses, transient occupancy taxes, other taxes, fines and forfeitures, interest on investments, use of money and property, state property tax exempt, motor vehicle in-lieu, city utilities in-lieu, interfund transfers, licenses and permits, from other governmental agencies, charges to other city funds, and other reimbursements and charges for services. Non-recurring revenues are monies that will end at a certain date or that the city cannot reasonably expect to receive over the next 10 to 15 years. Non-recurring revenues include but may not be limited to surpluses, grant funds, financing proceeds, sale of property and equipment and other reimbursements.
 - b. The second step in the process involves an identification of unusual revenue increases, commonly referred to as revenue spikes. Recurring revenues will show mild fluctuations depending on the economy and other factors. Typical revenue may fluctuate within a range such as one to five percent. This type of fluctuation is distinguished from a revenue spike that shows unusually large increases for one or two years (over five percent). The dotcom boom and the energy crisis created such revenue spikes. The increased revenues (above the normal fluctuation) will be considered one-time revenues.
9. The identification of recurring and non-recurring expenditures is also a two-step process. As a first step, expenditures are divided into the recurring and non-recurring categories. The second step involves identifying non-recurring expenditures that occur in recurring expenditure categories.
 - a. Step one involves the categorization of expenditures. A recurring expenditure is an ongoing cost that becomes part of the base budget. It is usually associated with a service or product that, if eliminated, may inhibit the City's ability to continue providing the service. Examples of recurring expenditures are salaries, benefits, utilities, debt service, maintenance, normal capital outlays and other mandated costs. Non-recurring

expenditures are costs that are incurred for one-time activities, or services that are scheduled to “sunset”. Typical non-recurring expenditures include grant programs, one-time capital expenditures and large equipment purchases in accordance with the City’s fixed asset capitalization policy.

- b. A second step in computing non-recurring expenditures is to identify all one-time expenditures that are budgeted in what are normally considered recurring expenditure categories. For example, a major consulting contract to update the general plan may be carried in the Materials, Supplies and Services category. Other examples include housing studies, recreational needs assessments, general plan studies, capital outlays in excess of normal requirements and professional contracts.

II. Report on How the Budget is Balanced

A. Policy

The City Manager will include in the narrative transmitting the Proposed Budget a concise discussion on how the proposed budget is balanced. If the structural balance changes between the Proposed and Adopted Budgets, the City Manager will clearly delineate the changes and the resulting structural balance in the Adopted Budget.

B. Purpose

To keep the City Council, community and staff apprised of the current fiscal condition of the City.

C. Definitions and Details

1. How the Budget is balanced will become a significant and continuous part of the annual budget message.
2. It will clearly state whether the budget is structurally balanced for the current fiscal year.

III. General Fund Reserves

A. Policy

The City shall maintain an Emergency Reserve equivalent to 10 percent of General Fund recurring expenditures and an Operating Reserve equivalent to 10 percent of General Fund recurring expenditures. If these reserves are used, a plan will be developed and implemented to replenish the funds used.

B. Purpose

Once the General Fund Budget is brought into structural balance, reserves are monies that are set-aside in separate accounts to deal with emergencies and extraordinary events.

C. Definitions and Details

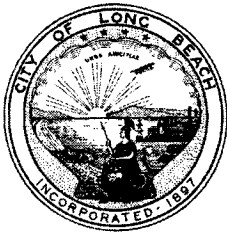
1. The Emergency Reserve is for unexpected, large-scale events where substantial damage is incurred and immediate, remedial action must be taken to protect the health and safety of residents, (e.g., major floods, mudslides, fires and earthquakes).
 - a. The Emergency Reserve is computed each year by taking ten percent of the Proposed General Fund recurring operating expenditures. Once this figure is determined, it will establish the level of the Emergency Reserve for the coming fiscal year.
 - b. Any funds used from the Emergency Reserve shall be replenished by the end of the fiscal year. If this is not possible, replenishment of the Emergency Reserve will take priority over any other new non-cost offset expenditure for the next and subsequent fiscal years.
 - c. Any usage of Emergency Reserves must be appropriated by the City Council.
 - d. However, the City Manager may utilize these funds when immediate action must be taken to protect the health and safety of residents. When this occurs, the City Manager shall provide a summary report as soon as practical, and a detailed report to the City Council on the usage of funds within 60 days after the emergency is declared over.
2. The Operating Reserve has been established to provide funding to deal with unexpected events and fluctuations in fiscal cycles, which provides time to avoid structural impacts and ensure continuance of critical City activities.
 - a. The Operating Reserve is not a contingency fund. It is a reserve for events such as:
 - i. Unexpected unfunded mandates or State take-aways.
 - ii. Continuing a program until the end of the fiscal year when grant funding is unexpectedly eliminated during the fiscal year.

- iii. Extraordinary public safety requirements that were unanticipated and immediate.
 - iv. Continuing critical city services due to unanticipated events.
 - v. To offset the loss of a funding source or spike in expense for the remainder of the year.
- b. The Operating Reserve is computed each year by taking ten percent of the Proposed General Fund recurring operating expenditures. Once this figure is determined, it will establish the level of the Operating Reserve for the fiscal year.
- c. Any usage of the Operating Reserve must have prior approval of the City Manager and include a repayment plan. All usages will be reported in the regular financial report.

ADOPTED FINANCIAL STRATEGIC PLAN FISCAL YEAR 2007-2009

Attachment B

(In structural increments, in millions)			
<u>Fiscal Year</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Adopted/Projected Structural Revenue	\$364.8	\$373.9	\$383.3
Includes:			
<i>Secured Property Tax</i>		1.2	2.0
<i>Sales Tax and In-Lieu Sales Tax (Backfill)</i>		1.3	1.7
<i>Utility Users Tax</i>		1.2	0.7
<i>Vehicle License Fees and In-Lieu VLF (Backfill)</i>		0.7	0.8
Adopted/Projected Structural Expenditures	\$364.7	\$372.4	\$376.3
Includes:			
<i>Restoration of Library Services</i>	1.3		
<i>Police, Fire, Miscellaneous, Engineers and Other Negotiated Salary Increase (1)</i>		7.2	3.4
<i>Debt Service</i>		-1.8	
<i>PERS Costs</i>		-1.9	
<i>10 percent New Discretionary Revenue Set Aside for Capital</i>		0.8	0.9
Adopted/Estimated Structural Surplus/(Deficit)	\$0.1	\$1.5	\$7.0
<u>Projected Potential Cost Increases on the Horizon</u>			
Estimated Police Department Longevity Pay Incentive			\$4.4
Estimated Police Officers Adjustment to Median in FY 10			\$10-\$15
Estimated Annual Debt Service on City Hall Seismic Retrofit			\$3.5
Estimated Annual Set-aside to Fund GASB 45 Liabilities			\$3.5
Fire and Misc. Employees Negotiations in FY 08/09 (cost per each 1% increase)			\$1.5
Residential and Arterial Streets, Sidewalks, Curbs and Gutters (net need)			
Underground Storage Tank Abatement			
Future Technology Needs/Projects			
Police Radio Replacement			
Election Costs 2008 (Four Potential Elections)			
3-1-1 Constituent Request Management System			
<i>(1) This only includes the negotiated Police salary increases in FY 09; other Bargaining Unit agreements expire in FY 07 and FY08.</i>			



CITY OF LONG BEACH
DEPARTMENT OF FINANCIAL MANAGEMENT

Attachment C

R-24

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

March 6, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Refer the Fiscal Year 2007 First Quarter Budget Performance Report to the Budget Oversight Committee. (Citywide)

DISCUSSION

This report provides an update on the City's Fiscal Year 2007 (FY 07) budget and operational performance through December 31, 2006. The report covers a broad spectrum of financial information for all funds and departments with multi-year comparisons, charts and graphs to provide a clear picture of the City's financial situation. While the focus of the financial report is the General Fund, exceptional performance (both positive and negative) in other funds is highlighted where applicable.

Summary

Resources required to provide public safety, infrastructure maintenance, library, recreation and other general government services were reduced significantly the past four years, yet the public demand for City services continues to grow. With the elimination of the structural deficit providing a sense of stability, but by no means actual fiscal security, the pressure to provide services that the City cannot yet afford has begun to mount. As previously communicated, the additional compensation increases for police officers that were granted during the first quarter of the fiscal year have committed all projected growth in discretionary resources through Fiscal Year 2010. Therefore, it is imperative that the fiscal discipline that made the Financial Strategic Plan a success be steadfastly maintained.

As of December 31, 2006, the total adjusted General Fund expenditure budget was \$378.7 million, with budgeted revenue of \$377.4 million. The difference between budgeted revenue and expense reflects the one-time use of fund balance. After the first three months of the fiscal year, overall expenditures and revenues are on target. With 25 percent of the fiscal year complete, approximately 20 percent of anticipated General Fund revenue has been collected; revenues are not expected to be received evenly throughout the fiscal year. During the same period, approximately 25.3 percent of the adjusted General Fund budget has been expended. The total Adjusted City Budget for all funds as of December 31, 2006 was \$2.67 billion. With 25 percent of the year complete, expenditure performance in all funds is at approximately 17.6 percent year-to-date.

HONORABLE MAYOR AND CITY COUNCIL

March 6, 2007

Page 2

Focus on Results (FOR) Long Beach is the City's commitment to performance management designed to help departments improve operational efficiency and effectiveness, and to provide an improved means by which the City can communicate public value created by its programs and services. By creating a direct link between program results and the budgets that support them, *FOR Long Beach* gives the City the tools to support decisions that allocate scarce resources to the highest priority service areas. As the second year of *FOR Long Beach* proceeds, the City will see improvements in the type of data that is collected and how well that data is analyzed. Again, significant progress has been made toward the full integration of the principles and management tools of *FOR Long Beach* into the daily business of the City. This first quarter report, as with all quarterly budget and operational performance reports going forward, includes Highlights of Departmental performance.

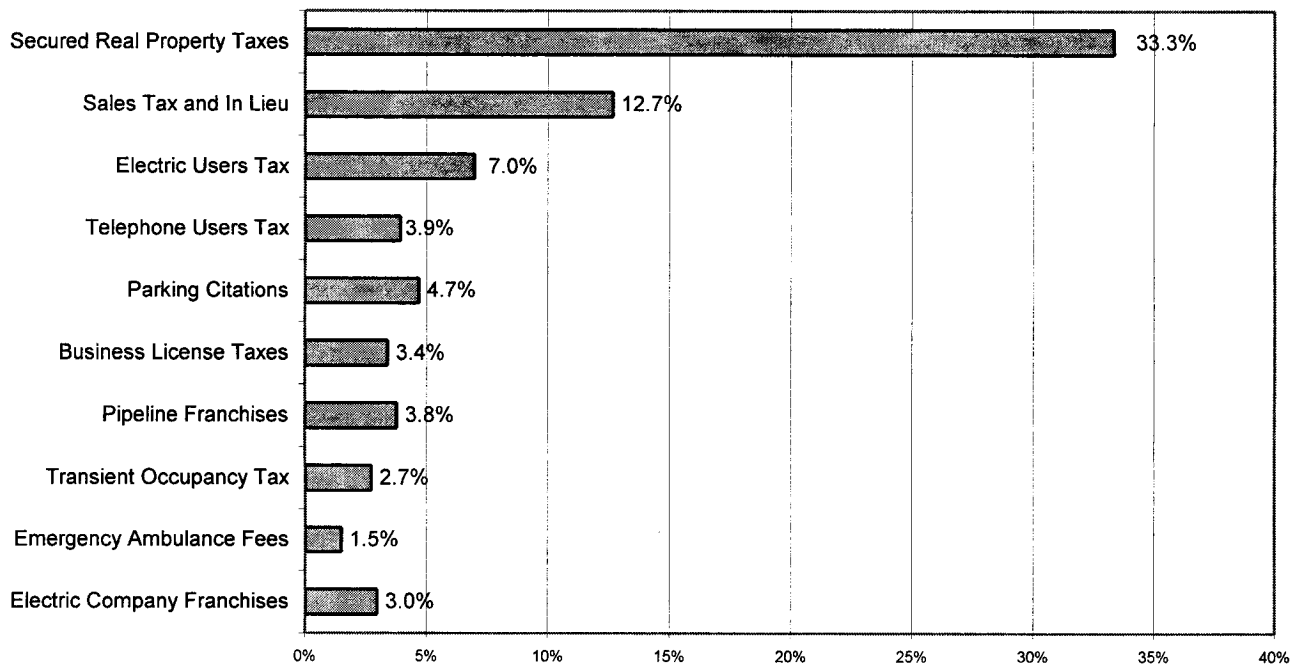
FY 07 General Fund Revenue

Revenue Source	FY 07 YTD Revenue	YTD Rev as % of Adjusted Budget	Notes
Secured Property Tax	\$25,443,166	38.8%	The first of seven secured property tax payments from the County was received in December. The payment comprised 40 percent of the County's estimate of the City's annual payment, net of administrative costs charged to the City (which increased by 75.1 percent over the previous year). Secured Property Tax is expected to finish the year on budget.
Sales and Use Tax (net of sharing agreements and adjusted for the Triple Flip)	\$9,678,998	17.6%	The Sales and Use Tax payments were reduced by 25 percent for the State Triple Flip and are offset by the bi-annual Property Tax In-Lieu of Sales Tax payment from the State. First quarter sales tax receipts from summer sales activity were lower than expected due to reporting aberrations and adjustments. Also, staff is researching a recently discovered sales tax allocation appeal filed by another city that could translate to the loss of \$750,000 per year in Long Beach Sales Tax.
Uplands Oil Transfer	\$0	0.0%	Budgeted FY 07 revenue is based on an oil price of \$48.00/bbl. December year-to-date revenue for Wilmington Crude has an averaged \$49.81/barrel, and transfers to the General Fund will take place in the 2 nd through 4 th quarters.
Motor Vehicle In-Lieu Tax (VLF), combined with Property Tax in Lieu of VLF	\$549,549	1.5%	Payments for VLF are received monthly, while the Property Tax In-Lieu of VLF is received in January and May. VLF and In Lieu VLF payments are trending at budget.
Utility Users Tax	\$10,202,947	23.6%	Electric UUT collections are trending above budget. Natural gas UUT collections are less than anticipated due to lower gas commodity prices than in the prior year. Telephone UUT collections are lower, and staff is researching to better assess underlying reasons. Water UUT collections are trending at budget.
Parking Citations	\$3,579,152	27.5%	Collections for Parking Citations are trending above budget due to fully staffed enforcement positions.
Business License Tax	\$2,599,236	23.7%	Business recovery efforts and the annual CPI adjustment should lead to year-end collections approaching budget.
Emergency Ambulance Fees	\$1,149,309	12.9%	Despite a slower year-to-date trend in collections, the Fire Department anticipates meeting its revenue projections for Emergency Ambulance Fees by year-end. Prior year-end accounts receivables were reversed during the first quarter of this fiscal year and will be offset by receipts made in FY 07.
Transient Occupancy Tax	\$2,094,866	24.4%	Transient Occupancy Tax receipts are trending at budgeted levels. Room and occupancy rates are demonstrating growth over the same period in the previous year.
Pipeline Franchises	\$2,893,549	41.8%	Southern California Gas Pipeline Franchise fee revenue is trending higher than budget due to an increase in the volume of gas transferred to electric plants over the same period last year.

Current and projected revenue performance is based upon a variety of sources, and includes both structural and one-time revenues. We must recognize the risks inherent in projecting revenue, many of which the City has limited, if any, authority to affect. Overall, year-to-date General Fund revenue is \$76.3 million, or approximately 20.2 percent of total projected revenue, and is close to the expected performance after the first quarter of the year. Performance to date numbers for revenue are down slightly from FY 06, but will recover when expected revenue from transfers from other funds to the General Fund are received. The table above highlights year-to-date performance for selected General Fund revenues.

A summary of the top 40 General Fund revenues is included in **Attachment A**, and a year-to-year (FY 06 to FY 07) comparison of the top 15 General Fund revenues is included in **Attachment B**. Exhibit 1 below shows the City's top 10 General Fund revenue sources in FY 07 as a percentage of total year-to-date General Fund revenue.

Exhibit 1 – Top 10 FY 07 General Fund Revenue Sources as a Percentage of the \$76.3 million Total Year-to-Date



Please also see **Attachment C** for a breakdown of General Fund revenue by department.

FY 07 General Fund Expenditures

The Adopted General Fund budget for FY 07 was \$377.4 million. As of December 31, 2006, the total adjusted General Fund budget was \$378.7 million, including the City Council approved budget adjustments totaling approximately \$1.3 million primarily due to added grant funded or revenue offset programs or projects. The overall year-to-date General Fund spending is \$95.9 million, or 25.3 percent of budget, with 25 percent of the Fiscal Year complete. **Attachment D** provides a listing of all departments' year-to-date General Fund expenditure performance.

Approximately \$13.75 million of the General Fund's FY 07 budget is for one-time expenditures to be paid for using anticipated one-time revenues and some structural revenue. Budgeted one-time expenditures include items such as additional street rehabilitation and slurry sealing, critical

facility repairs, 311 system design, a park tree trimming contract and support to the Health Fund to cover some Citywide overhead costs.

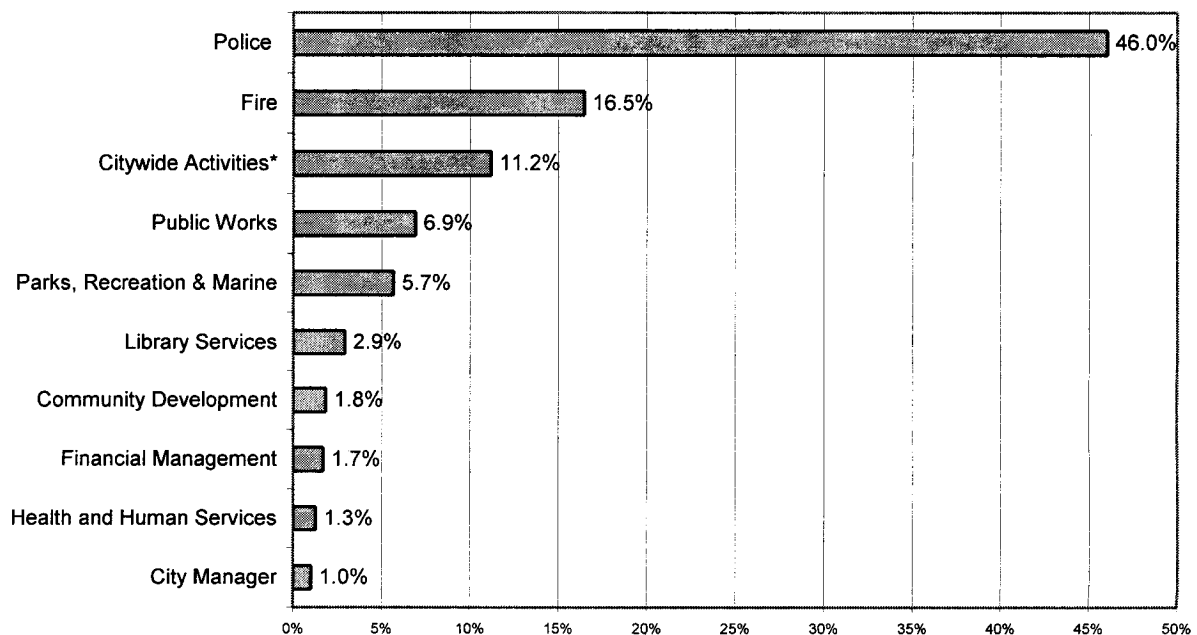
Sources of one-time revenue included the FY 07 beginning fund balance of \$1.7 million, reimbursement from other funds of \$1.5 million based on cost allocations for prior year services, land sale proceeds of \$9.9 million, transient occupancy audit revenue of approximately \$45,000, and use of \$300,000 previously set-aside to stock the new Mark Twain library as well as the Mayor's recommended, and City Council-approved, use of \$400,000 for a one-time augmentation of the Library's general book budget.

FY 07 General Fund Expenditures by Department

Though there were few expenditure performance exceptions at the department level, those worth noting include:

- Citywide Activities reflects spending at 58.7 percent of budget year-to-date. This is primarily due to the fact that there are expenditure transfers to the Capital Improvement Fund that took place earlier in the year and that the Adjusted Budget reflects anticipated savings from the employee health insurance optimization study. These structural savings are still anticipated, and will be shifted from Citywide Activities into the budgets of impacted departments.
- The Police Department is at 26.1 percent of budget. The successful effort to fill vacant police officer positions by conducting additional academies is reducing vacancy savings historically available to pay for overtime associated with covering shifts. As part of the First Quarter Budget Adjustment in January, the Department received an appropriation increase of \$2.35 million to cover the longevity incentive for FY 07.
- Library Services is spending at 19.6 percent due to time needed to hire staff in order restore extended Library days/hours.

Exhibit 2 – Largest FY 07 General Fund Expenditures Year-to-Date by Department, as a Percentage of the \$95.9 million Total Expenditures.



**Citywide Activities include debt payments, pass through transactions, old Police and Fire pension plan, General Fund project funding, etc.*

After one quarter, the majority of General Fund expenditures have come from departments providing public safety services. Of the \$95.9 million expended to date, the Police Department (46 percent) and Fire Department (16.5 percent) comprise 62.5 percent of the total General Fund year-to-date expenditures. Exhibit 2 on the previous page shows the largest departments as a percentage of General Fund year-to-date expenditures.

Attachment E displays General Fund spending at the department level as compared to the departments' current adjusted budget, including an FY 07 to FY 06 comparison. FY 07 General Fund expenditures total 25.3 percent of the \$378.7 million budget, compared to 24.7 percent of the \$363.8 million budget for the same time period in FY 06.

FY 07 Expenditure Performance – All Funds

The City's Adopted FY 07 Budget for all funds includes \$2.66 billion of annual funds, carryover (multi-year grants and capital projects funds) of \$442.8 million, prior year encumbrances (goods and services ordered in FY 06 but received in FY 07), and mid-year City Council approved budget amendments. Combined, the total Adjusted City Budget as of December 31, 2006 was \$2.67 billion. Please see **Attachment F** for a breakdown of Citywide expenditures by fund.

While it is not expected that department or fund expenditures would occur equally throughout the fiscal year or be fully expended in the current fiscal year due to the inclusion of multi-year projects, monitoring the rate of expenditure is a helpful indicator of resource management. With 25 percent of the year complete, expenditure performance in all funds is at approximately 17.6 percent year-to-date. Overall, there are no fund performance anomalies to note.

Other Significant Issues

Health Fund

The Health Fund, which is primarily funded by grants from other agencies, supports services that form an important link in the community safety continuum. Unfortunately, the Department of Health and Human Services (DHHS) has been facing, and aggressively addressing, significant reductions to its grant funding the past few years. Furthermore, traditional funding sources from the State and Federal level are shrinking, cost recovery on services to underrepresented communities remains difficult, and demands are higher than ever for services.

As a result, the Health Department has been experiencing both cash flow and budgeting challenges throughout the fiscal year. To aid in finding a solution to this ongoing situation, an optimization study reviewing how the City finances health and human services has been initiated. Through this study, DHHS will review its funding structure, mechanisms utilized by other local health agencies to fund public health programs, its service and staffing levels, and program costs. A final report for use in building the FY 08 budget is expected to be ready for the City Manager's consideration by late Spring.

Focus on Results – Operational Performance

The City of Long Beach is committed to responsiveness, transparency and accountability to the community. There is no more important tool to achieving this commitment than the City's performance management program, *Focus on Results (FOR) Long Beach*. Tracking performance measures for 160 Programs citywide helps departments to improve operational efficiency and effectiveness, and to communicate the public value of its services. *FOR Long Beach* gives the City the tools to support difficult decisions about scarce resources, insuring that the public's money is allocated to their highest priority issues.

As we complete the first year of *FOR Long Beach* implementation, much has been accomplished. In the beginning of FY 06, departments began tracking key performance information. They are now tracking hundreds of performance measures and developing the strategies and expertise for reliable data collection systems and analysis. Over the next year, significant progress will be made through ongoing professional development and training of City staff, toward the full integration of performance management into the daily business of the City. This quarterly report includes the Highlights of Departmental Performance through December 2006 in **Attachment G**. Summarized below are a few highlights of department performance that are significant accomplishments on behalf of the community.

FY 07 Performance Highlights

Department: Fire (See Page G-7)

Program: Emergency Response Operations Program

The Emergency Response Operations Program was able to process emergency calls (answer to dispatch) within 60 seconds, 81 percent of the time in the 1st Quarter of FY 07, up from 68 percent in the 1st Quarter of FY 06. Rapid response to 9-1-1 emergency calls for service is essential to protecting the lives and property of the citizens of Long Beach.

Department: Police (See Page G-21)

Program: Patrol Program

The Long Beach Police Department average response time for Priority One calls dropped to 4.4 minutes in the 1st Quarter of FY 07, exceeding expectations by 36 seconds. One of the most significant measures of efficient operations and effective crime fighting, the Patrol Program continues to respond to the most significant calls for service in a timely fashion, protecting lives and property.

Department: Community Development (See Page G-3)

Program: Youth Development Program

The number of Long Beach youth (ages 14-24) receiving employment services from the Youth Development Program exceeded expectations by over 244 participants in the 1st Quarter of FY 07, an increase of nearly 41 percent over the proposed target and 241 participants more than the 1st Quarter of FY 06. These gains can be partially attributed to changes in service offered, school schedules and seasonal changes.

Department: Parks, Recreation & Marine (See Page G-17)

Program: Recreation Classes Program

Enrollment levels in Parks, Recreation & Marine recreational and enrichment classes exceeded expectations for the 1st Quarter of FY 07. More than 7,100 participants enrolled in recreation classes, a 22 percent increase from the same time last year, contributing to the overall health of the community.

Department: Public Works (See Page G-23)

Program: Streets/Drainage Maintenance Program

As a result of high winds and an increase in fallen trees in the month of December 2006, the Streets/Drainage Maintenance Program responded to 925 calls for service for the 1st Quarter of FY 07. This level of response exceeds last year's 1st Quarter performance by 784 calls or 556 percent. While the activities of this important Program continue to keep our neighborhoods and streets safe and clean, the Departments may need to reallocate resources from other Programs to fund the response to this unexpected demand.

Department: Library Services (See Page G-13)

Program: Library Resources Program

The number of library resources used, including books, media (e.g., DVD's, CD's and books-on-tape), and computer web hits at the public libraries reached 749,120 in the 1st Quarter of FY 07, exceeding the number of resources used at this time last year by over 48,000 or 7 percent. The department has experienced a large increase in the use of electronic database information accessed through the department's enhanced website.

Department: Planning & Building (See Page G-19)

Program: Community Design & Development Program

The number of major public hearing land use requests reviewed by the Community Design & Development Program reached 58 in the 1st Quarter of FY 07, exceeding last year's performance at this time by 32 percent. The increase in planning cases indicates strong growth and renewal in the City of Long Beach.

Department: City Manager's Office (See Page G-1)

Program: City Communication Program

The City Communication Program issued 82 press releases in the 1st Quarter of FY 07, exceeding expectations by 9 percent and exceeding last year's 1st Quarter performance by nearly 37 percent. The number of press releases issued is a key indicator of transparency as the City strives to increase communication with the community.

Department: Health & Human Services (See Page G-9)

Program: Health Promotions/Preventative Health Program

The Health Promotions/Preventative Health Program administered over 6,470 immunizations to the community in the 1st Quarter of FY 07, exceeding the Quarterly target of 3,999 immunizations by 62 percent. Immunizations fluctuate throughout the year to meeting seasonal demands such as the need for flu vaccines and annual back-to-school registration.

Department: Human Resources (See Page G-11)

Program: Occupational Safety Program

City of Long Beach employees received 3,150 hours of safety training in the 1st Quarter of FY 07, exceeding last year's performance at this time by 23 percent. Safety training helps decrease overall occupational injury and illness and lowers the cost of service delivery to the community.

Conclusion

With General Fund revenues and expenditures tracking at budget through the first quarter, and concerns expressed about achieving certain one-time revenues, it is imperative that we maintain a firm position of fiscal restraint. Looking to the future, we must not lose sight of the fact that the City must address its existing retiree health commitments, the seismic integrity of City Hall, and the Police Officers Association labor agreement, and critical infrastructure to aging police and fire stations, sidewalks, streets and pipelines.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

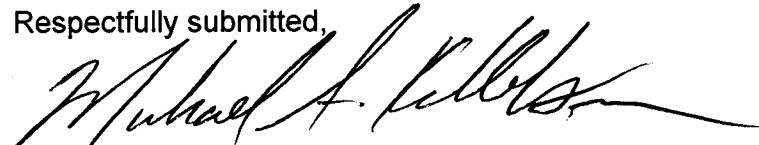
FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

MK:DW:JM

ATTACHMENTS

APPROVED:



GERALD R. MILLER
CITY MANAGER

December 2006
General Fund Revenue (Top 40)
Fiscal Year 2007
(25% of Year Completed)

Attachment A

TOP 40 GENERAL FUND REVENUES	FY 06 Year End Actuals	FY 06 December YTD	FY 07 December YTD	FY 07 Dec YTD Over/(Under) FY 06 Dec YTD	% of FY 07 Adj Budget	FY 07 Adjusted Budget
SECURED REAL PROPERTY TAXES ¹	\$ 58,843,473	\$ 23,561,628	\$ 25,443,166	\$ 1,881,538	38.8%	\$ 65,637,308
CITY SALES AND USE TAX & IN-LIEU SALES AND USE TAX ²	49,098,623	10,130,889	9,678,998	(451,891)	17.6%	55,040,000
VEHICLE LICENSE FEE & PROPERTY TAX IN-LIEU OF VLF ^{3,4}	30,668,630	(1,980,689)	549,549	2,530,238	1.5%	37,230,000
ELECTRIC USERS TAX & PENALTIES ⁵	17,479,286	4,489,567	5,315,525	825,959	28.3%	18,750,150
TELEPHONE USERS TAX & PENALTIES ⁶	14,543,335	3,720,960	2,997,227	(723,733)	19.6%	15,260,000
PARKING CITATIONS	12,850,577	3,164,444	3,579,152	414,708	27.5%	13,010,000
BUSINESS LICENSE TAXES	10,101,826	2,452,250	2,599,236	146,986	23.7%	10,985,000
PIPELINE FEES ⁷	6,599,061	3,139,143	2,149,909	(989,234)	19.9%	10,783,373
EMERGENCY AMBULANCE FEES ⁸	8,102,939	1,633,851	1,149,309	(484,542)	12.9%	8,944,000
TRANSIENT OCCUPANCY TAX	8,273,736	1,905,714	2,094,866	189,152	24.4%	8,598,250
PIPE LINE FRANCHISES	7,609,608	2,651,449	2,893,549	242,100	41.8%	6,930,000
ELECTRIC COMPANY FRANCHISES ⁵	6,320,914	1,825,523	2,271,912	446,389	33.0%	6,890,000
GAS USERS TAX & PENALTIES ⁹	5,795,553	1,626,016	1,122,404	(503,612)	18.1%	6,190,000
INTEREST-POOLED CASH ¹⁰	3,876,636	677,197	1,228,283	551,086	24.0%	5,109,450
AMERICAN GOLF LEASE	4,080,807	951,786	1,040,360	88,574	24.5%	4,245,000
PRIOR YEAR SECURED REAL PROPERTY TAXES ¹¹	4,830,642	1,085,402	1,527,017	441,615	39.7%	3,850,000
VEHICLE CODE FINES	3,003,644	452,342	710,433	258,091	21.5%	3,300,000
LAND,BLDG,R/W,EASEMENT,APT RENTALS	3,336,297	622,468	581,462	(41,006)	18.0%	3,228,134
CIP-ENGINEERING CHARGES ³	2,029,137	(22,094)	115,772	137,866	3.7%	3,150,000
WATER USERS TAX & PENALTIES	2,903,452	717,351	767,790	50,440	25.2%	3,043,000
CHARGES FOR SPECIAL SERVICES ¹²	3,178,922	185,361	190,804	5,443	6.4%	2,974,840
MISC REFUNDS & REIMB	3,650,594	700,853	556,446	(144,407)	22.2%	2,511,134
OIL PRODUCTION TAX	2,243,749	554,144	537,094	(17,050)	23.1%	2,323,000
REDEV. REIMB.-NORTH LB ³	2,108,789	-	-	-	0.0%	2,189,679
REAL PROPERTY TRANSFER TAX ¹³	2,330,140	385,719	169,729	(215,991)	9.4%	1,800,000
UNSECURED PERSONAL PROPERTY TAXES	1,287,706	521,964	486,236	(35,729)	28.1%	1,729,500
MISC REVENUE FROM OTHER AGENCIES ³	768,727	98,651	64,902	(33,749)	4.0%	1,626,155
OFF-STREET PARKING	1,369,534	291,469	263,690	(27,779)	16.5%	1,598,556
OTHER DEPT CHGS TO GOV'TL FUNDS	1,543,622	202,030	195,067	(6,963)	15.8%	1,231,415
METERED/OTHER PARKING	975,875	242,136	247,223	5,087	20.8%	1,190,000
ASSET MANAGEMENT CHARGES	1,499,040	374,760	297,761	(77,000)	25.2%	1,180,354
CITY/MISC/BOND REFI ADVANCES ³	1,146,292	795,883	-	(795,883)	0.0%	1,146,292
FACILITY RENTAL	669,332	145,273	176,872	31,600	17.4%	1,018,667
INTEREST-LOAN REPAYMENTS	522,470	243,393	148,041	(95,352)	15.3%	968,948
FIRE PLAN CHECK FEES	995,394	345,907	133,940	(211,967)	14.1%	950,000
SELF-SUSTAINING CLASSES-REC	789,351	212,822	242,196	29,374	28.1%	863,442
ACTIVITY CHARGES-REC ¹⁴	841,866	144,906	82,573	(62,332)	9.6%	861,734
INTANGIBLE PERSONAL PROPERTY TAXES	942,295	213,286	225,084	11,798	26.4%	853,000
EL DORADO PARK FEES	738,696	100,772	111,550	10,778	13.8%	806,903
TRANSFERS FROM OTHER FUNDS ³	41,528,659	21,758,208	-	(21,758,208)	0.0%	28,674,418
SUBTOTAL TOP 40 GENERAL FUND REVENUES	329,479,231	90,322,733	71,945,125	(18,377,608)	20.8%	346,671,702
SUBTOTAL ALL OTHER REVENUES ¹⁵	38,228,090	8,769,857	4,356,461	(4,413,396)	14.2%	30,734,451
TOTAL	\$ 367,707,320	\$ 99,092,590	\$ 76,301,586	\$ (22,791,004)	20.2%	\$ 377,406,152

Notes: ¹The first of seven secured property tax distributions from the County was received in December. It comprised 40 percent of the County's estimate of the City's annual payment, net of administrative costs charged to the City that increased by 75 percent over the previous year. ²The receipts received in the first quarter of this fiscal year, representing summer sales tax receipts, trended lower than in FY 06 due to reporting aberrations and adjustments. ³Revenues to be received in future installments. ⁴Negative VLF payment in FY 06 due to one of two \$2.5 million contributions to the State's Educational Revenue Augmentation Fund (ERAF) scheduled in FY 06. ⁵Higher year over year revenue due to rate increases that occurred after the first quarter of FY 07. ⁶Telephone UUT collections are lower, and staff is researching to better assess underlying reasons. ⁷Pipeline Safety Fee payment received in January, instead of in December as in FY 06. ⁸Prior year-end account receivables were reversed this fiscal year and will be offset by deposits when received. ⁹Gas commodity costs are lower than in prior year. ¹⁰Interest income higher mainly due to investment of FY 07 Tax Revenue Anticipation Note (TRAN) proceeds. ¹¹Supplemental property tax payments from changes of ownership and new construction are trending above FY 06. ¹²These Special Services will be performed by the Police and Public Works Departments at later points in the fiscal year. ¹³Year-to-date receipts represent one County payment, while FY 06 year-to-date represents two payments. ¹⁴Though the timing of the receipt of revenue for Activity Charges is slower in the first quarter of FY 07 than in the previous year, revenue receipt increases in following months compensate for the decline. ¹⁵Year-to-date Other Revenue is lower in FY 07 primarily due to the shift of Planning and Building Department related budget into the new Development Services Fund, and the shift of budget for the Fire Department's services to the Airport Fund. The one-time sale of City property during the first quarter of FY 06 contributed to less Other Revenue receipts in FY 07 as well.

December 2006
General Fund Revenue (Top 15)
FY 07 Compared to FY06
(25% of Year Completed)

Attachment B

Ranking	General Fund Revenue Source	FY 06 Adopted Budget	FY 06 December YTD	% Received FY 06	FY 07 Adopted Budget	FY 07 December YTD	% Received FY 07	\$ Variance FY 07 to FY 06	Percent Change FY 07 to FY 06
1	Property Taxes ¹	\$ 58,015,000	\$ 23,561,628	40.6%	\$ 65,637,308	\$ 25,443,166	38.8%	\$ 1,881,538	8.0%
2	Sales and Use Tax & In-Lieu Sales and Use Tax ²	47,738,000	10,130,889	21.2%	55,040,000	9,678,998	17.6%	(451,891)	-4.5%
3	Vehicle License Fee & Property Tax In-Lieu of VLF ³	25,250,000	(1,980,689)	-7.8%	37,230,000	549,549	1.5%	2,530,238	-127.7%
4	Electric Users Tax & Penalties ⁴	16,500,150	4,489,567	27.2%	18,750,150	5,315,525	28.3%	825,959	18.4%
5	Telephone Users Tax & Penalties ⁵	16,100,000	3,720,960	23.1%	15,260,000	2,997,227	19.6%	(723,733)	-19.5%
6	Parking Citations	10,750,758	3,164,444	29.4%	13,010,000	3,579,152	27.5%	414,708	13.1%
7	Business License Taxes	9,930,000	2,452,250	24.7%	10,985,000	2,599,236	23.7%	146,986	6.0%
8	Pipeline Fees	6,650,053	3,139,143	47.2%	10,783,373	2,149,909	19.9%	(989,234)	-31.5%
9	Emergency Ambulance Fees ⁷	8,240,000	1,633,851	19.8%	8,944,000	1,149,309	12.9%	(484,542)	-29.7%
10	Transient Occupancy Tax	8,150,000	1,905,714	23.4%	8,598,250	2,094,866	24.4%	189,152	9.9%
11	Pipeline Franchises	8,127,000	2,651,449	32.6%	6,930,000	2,893,549	41.8%	242,100	9.1%
12	Electric Company Franchises ⁴	5,600,000	1,825,523	32.6%	6,890,000	2,271,912	33.0%	446,389	24.5%
13	Gas Users Tax & Penalties ⁸	5,700,000	1,626,016	28.5%	6,190,000	1,122,404	18.1%	(503,612)	-31.0%
14	Interest - Pooled Cash	3,250,000	677,197	20.8%	5,109,450	1,228,283	24.0%	551,086	81.4%
15	American Golf Lease	4,100,000	951,786	23.2%	4,245,000	1,040,360	24.5%	88,574	9.3%
	TOP 15 TOTAL	\$ 230,000,961	\$ 58,997,942	25.7%	\$ 269,357,531	\$ 63,073,085	23.4%	\$ 4,075,142	6.9%

Notes:

¹The first of seven secured property tax distributions from the County was received in December. It comprised 40 percent of the County's estimate of the City's annual payment, net of administrative costs charged to the City that increased by 75 percent over the previous year. ²The receipts received in the first quarter of this fiscal year, representing summer sales tax receipts, trended lower than in FY 06 due to reporting aberrations and adjustments. ³Revenues to be received in future installments. ⁴Higher year over year revenue due to rate increases that occurred after the first quarter of FY 06. ⁵Telephone UUT collections are lower, and staff is researching to better assess underlying reasons. ⁶Pipeline Safety Fee payment received in January, instead of in December as in FY 06. ⁷Prior year-end account receivables were reversed this fiscal year and will be offset by deposits when received. ⁸ Gas commodity costs are lower than in prior year.

December 2006
Revenue Analysis by Department
General Fund - Fiscal Year 2007
(25% of Year Completed)

Attachment C

Department	FY 07 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals	Remaining	% Received
Mayor and City Council	\$ 1,250	\$ -	\$ 1,250	\$ -	\$ 1,250	0.0%
City Attorney	2,750	-	2,750	588	\$ 2,162	21.4%
City Auditor	-	-	-	-	\$ -	0.0%
City Clerk	126,714	-	126,714	29,867	\$ 96,847	23.6%
City Manager	-	-	-	148	\$ (148)	0.0%
City Prosecutor	-	-	-	-	\$ -	0.0%
Community Development ²	8,267,424	-	8,267,424	897,301	\$ 7,370,124	10.9%
Financial Management ³	17,480,953	-	17,480,953	6,683,750	\$ 10,797,203	38.2%
Citywide Activities ⁴	294,196,003	-	294,196,003	60,542,074	\$ 233,653,929	20.6%
Fire ⁵	11,334,900	-	11,334,900	1,574,186	\$ 9,760,714	13.9%
Health and Human Services	1,693,415	-	1,693,415	376,290	\$ 1,317,125	22.2%
Human Resources	-	-	-	122	\$ (122)	0.0%
Library Services	1,060,665	-	1,060,665	130,183	\$ 930,482	12.3%
Parks, Recreation & Marine	8,461,599	-	8,461,599	1,987,905	\$ 6,473,694	23.5%
Planning & Building ⁶	90,574	-	90,574	84,827	\$ 5,747	93.7%
Police ⁷	18,109,053	-	18,109,053	2,481,476	\$ 15,627,577	13.7%
Public Works ⁸	16,580,852	-	16,580,852	1,512,870	\$ 15,067,982	9.1%
TOTAL	\$ 377,406,152	\$ -	\$ 377,406,152	\$ 76,301,586	\$ 301,104,567	20.2%

Notes:

¹ Amendments reflect budget adjustments made during the fiscal year.

² Historically the Department receives the vast majority of revenue later in the fiscal year.

³ Includes Parking Citation revenues that will be distributed to client departments as the year progresses.

⁴ Citywide Activities include tax revenues and pass through transactions.

⁵ Amount is low due to prior year-end account receivables that were reversed at the beginning of this fiscal year, which will be offset by deposits as they are received.

⁶ Planning and Building transferred a large portion of their operations to a special revenue fund this fiscal year. Much of the amount reported year-to-date was done through automated interfaces and will be manually corrected and posted to the new fund.

⁷ Historically, the Department receives the majority of revenue later in the fiscal year. For example, revenue from parking citations is much higher in the second half of the fiscal year.

⁸ Pipeline Safety Fees and CIP Engineering charges will be received in future months.

December 2006
Expenditure Analysis by Department
General Fund - Fiscal Year 2007
(25% of Year Completed)

Attachment D

Department	FY 07 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals ²	Remaining	% Spent
Mayor and City Council	\$ 5,115,005	\$ 587	\$ 5,115,592	\$ 1,065,637	\$ 4,049,955	20.8%
City Attorney	3,626,460	1,292	3,627,751	802,838	2,824,914	22.1%
City Auditor	2,533,939	134,270	2,668,208	466,176	2,202,033	17.5%
City Clerk	3,019,004	117,187	3,136,192	596,795	2,539,397	19.0%
City Manager	3,531,282	12,857	3,544,138	989,196	2,554,942	27.9%
City Prosecutor	4,600,484	10,001	4,610,485	921,081	3,689,404	20.0%
Civil Service	2,813,620	48,234	2,861,854	608,592	2,253,262	21.3%
Community Development	7,801,127	171,292	7,972,419	1,771,862	6,200,557	22.2%
Financial Management ³	8,854,081	62,865	8,916,946	1,637,260	7,279,686	18.4%
Citywide Activities ⁴	18,303,433	12,008	18,315,441	10,748,390	7,567,051	58.7%
Fire	67,003,120	207,068	67,210,188	15,804,471	51,405,717	23.5%
Health and Human Services	4,873,669	28,206	4,901,875	1,233,191	3,668,684	25.2%
Human Resources	346,884	8,638	355,522	84,608	270,914	23.8%
Library Services ⁵	14,158,076	98,339	14,256,415	2,794,888	11,461,527	19.6%
Parks, Recreation & Marine	27,021,643	205,600	27,227,243	5,446,219	21,781,024	20.0%
Planning & Building	550,642	43,768	594,410	171,528	422,882	28.9%
Police ⁶	169,529,481	1,749	169,531,230	44,187,444	125,343,786	26.1%
Public Works	33,722,051	110,248	33,832,299	6,625,804	27,206,495	19.6%
TOTAL	\$ 377,404,000	\$ 1,274,209	\$ 378,678,209	\$ 95,955,980	\$ 282,722,230	25.3%

Notes:

¹ Amendments reflect budget adjustments approved by the City Council during the fiscal year, including prior-year encumbrances (purchase orders).

² As of December 31, 2006, only 22.9% of payrolls are posted even though 25% of the year is complete.

³ In FY 07, Financial Management processed the first quarter expenditure transfer of Utility Services related costs to the Gas Fund in a more timely manner than had been done in FY 06.

⁴ Citywide Activities include debt service payments, as well as interdepartmental transfers made at the beginning of the fiscal year, including transfers to the Capital Improvement Fund for sidewalk repairs and Parks and Recreation capital projects.

⁵ Restoration of extended Library days/hours will be staged beginning February of 2007.

⁶ Police overtime is 27.4 percent higher than last year at this time in dollars expended, and 11 percent higher when comparing actual expense to budget year-on-year (Q1 FY 06 to Q1 FY 07): The extensive overtime costs associated with the late-December response to the police officers shot in the line of duty did not post until after the books were closed for the quarter and therefore are not included in the accounts shown above.

December 2006
Year to Date Expenditure Analysis by Department
General Fund - FY 07 Compared to FY 06
(25% of Year Completed)

Attachment E

Department	FY 06 Adjusted Budget	FY 06 YTD Actuals	% Spent FY 06	FY 07 Adjusted Budget	FY 07 YTD Actuals ¹	% Spent FY 07	\$ Variance FY 07 to FY 06	% Spent FY 07 vs FY 06
Mayor and City Council	\$ 4,656,713	\$ 985,959	21.2%	\$ 5,115,592	\$ 1,065,637	20.8%	\$ 79,677	8.1%
City Attorney	3,427,944	772,839	22.5%	3,627,751	802,838	22.1%	29,999	3.9%
City Auditor	2,608,897	648,432	24.9%	2,668,208	466,176	17.5%	(182,257)	-28.1%
City Clerk	4,462,615	537,090	12.0%	3,136,192	596,795	19.0%	59,706	11.1%
City Manager	3,654,751	1,179,970	32.3%	3,544,138	989,196	27.9%	(190,774)	-16.2%
City Prosecutor	4,215,365	925,628	22.0%	4,610,485	921,081	20.0%	(4,547)	-0.5%
Civil Service	2,605,370	540,115	20.7%	2,861,854	608,592	21.3%	68,477	12.7%
Community Development ²	7,604,840	1,274,129	16.8%	7,972,419	1,771,862	22.2%	497,734	39.1%
Financial Management ³	8,213,392	2,751,604	33.5%	8,916,946	1,637,260	18.4%	(1,114,345)	-40.5%
Citywide Activities ⁴	12,960,652	7,448,796	57.5%	18,315,441	10,748,390	58.7%	3,299,594	44.3%
Fire	66,810,623	15,578,157	23.3%	67,210,188	15,804,471	23.5%	226,314	1.5%
Health and Human Services	4,881,820	1,107,090	22.7%	4,901,875	1,233,191	25.2%	126,101	11.4%
Human Resources ⁵	332,710	59,591	17.9%	355,522	84,608	23.8%	25,018	42.0%
Library Services	11,635,614	2,345,949	20.2%	14,256,415	2,794,888	19.6%	448,940	19.1%
Parks, Recreation and Marine	25,495,729	5,324,081	20.9%	27,227,243	5,446,219	20.0%	122,138	2.3%
Planning & Building ⁶	11,408,057	2,595,794	22.8%	594,410	171,528	28.9%	(2,424,266)	-93.4%
Police ⁷	160,634,613	39,559,415	24.6%	169,531,230	44,187,444	26.1%	4,628,029	11.7%
Public Works	28,216,241	6,080,990	21.6%	33,832,299	6,625,804	19.6%	544,814	9.0%
TOTAL	\$ 363,825,948	\$ 89,715,628	24.7%	\$ 378,678,209	\$ 95,955,980	25.3%	\$ 6,240,351	7.0%

Notes:

¹ As of December 31, 2006, only 22.9% of payrolls are posted even though 25% of the year is complete.

² The first quarter of last fiscal year the department underspent compared to its budget. This FY the department is in line.

³ In FY 07, Financial Management processed the first quarter expenditure transfer of Utility Services related costs to the Gas Fund in a more timely manner than had been done in FY 06.

⁴ Citywide Activities include debt service payments, as well as interdepartmental transfers made at the beginning of the fiscal year, including transfers to the Capital Improvement Fund for sidewalk repairs and Parks and Recreation capital projects.

⁵ FY 06 Actuals were below budget due to timing of expenditure transfers.

⁶ For FY 07, Planning and Building transferred the majority of General Fund expenses into a new Development Services Fund. Of the remaining expenses, administrative transfers are still necessary to match the expenditure budget.

⁷ Police overtime is 27.4 percent higher than last year at this time in dollars expended, and 11 percent higher when comparing actual expense to budget year-on-year (Q1 FY 06 to Q1 FY 07): The extensive overtime costs associated with the late-December response to the police officers shot in the line of duty did not post until after the books were closed for the quarter and therefore are not included in the accounts shown above.

December 2006
Expenditure Analysis by Fund
Fiscal Year 2007
(25% of Year Completed)

Attachment F

Fund	FY 07 New Allocation	Estimated All-Years Carryover ¹	FY 07 Adopted Appropriation	Amendments ²	Adjusted Budget	Year-to-Date Actuals	Remaining	% Spent
Funds with All Years Carryover								
Airport	\$ 31,859,545	\$ 49,516,369	\$ 81,375,914	\$ 2	\$ 81,375,916	\$ 5,980,319	\$ 75,395,597	7.3%
Capital Projects ³	10,229,804	56,274,129	66,503,934	1,171,000	67,674,934	2,945,296	64,729,637	4.4%
Civic Center ³	1,412,576	16,130,820	17,543,396	150,148	17,693,544	57,370	17,636,174	0.3%
Community Development Grants	24,972,319	45,678,529	70,650,847	-	70,650,847	4,939,203	65,711,644	7.0%
Fleet Services	30,847,189	912,584	31,759,773	5,817,516	37,577,289	7,135,725	30,441,565	19.0%
Gas	134,102,008	2,229,623	136,331,631	208,140	136,539,771	25,207,719	111,332,052	18.5%
Gasoline Tax Street Improvement	16,218,563	15,164,390	31,382,953	-	31,382,953	2,340,792	29,042,161	7.5%
General Grants	8,594,063	13,758,188	22,352,251	1,124,733	23,476,984	1,958,882	21,518,102	8.3%
General Services	34,499,612	67,752	34,567,364	7,033	34,574,397	7,153,129	27,421,268	20.7%
Harbor	475,221,930	-	475,221,930	-	475,221,930	69,519,494	405,702,436	14.6%
Health	45,188,238	36,380,681	81,568,919	6,624	81,575,543	8,300,823	73,274,721	10.2%
Housing Authority	66,972,716	991,365	67,964,081	-	67,964,081	14,590,586	53,373,495	21.5%
Housing Development	39,282,888	52,127,821	91,410,709	16	91,410,726	7,182,416	84,228,310	7.9%
Insurance	36,685,600	-	36,685,600	42,741	36,728,342	5,847,194	30,881,148	15.9%
Parking Authority	-	-	-	-	-	-	-	0.0%
Redevelopment	103,081,127	105,315,488	208,396,615	141,532	208,538,148	37,935,065	170,603,083	18.2%
Refuse/Recycling	40,263,890	138,471	40,402,361	36,211	40,438,573	6,150,182	34,288,391	15.2%
Sewer	14,119,120	-	14,119,120	-	14,119,120	3,591,710	10,527,410	25.4%
Tidelands Operating	113,191,473	29,214,356	142,405,829	779,395	143,185,225	23,343,345	119,841,880	16.3%
Transportation	14,415,576	18,896,907	33,312,483	-	33,312,483	3,507,759	29,804,724	10.5%
Water	81,969,042	-	81,969,042	-	81,969,042	18,422,802	63,546,240	22.5%
SUBTOTAL	\$ 1,323,127,280	\$ 442,797,473	\$ 1,765,924,753	\$ 9,485,094	\$ 1,775,409,847	\$ 256,109,809	\$ 1,519,300,038	14.4%
Funds Without All Years Carryover								
General	\$ 377,404,000	-	\$ 377,404,000	\$ 1,274,209	\$ 378,678,209	\$ 95,955,980	\$ 282,722,230	25.3%
Belmont Shore Parking Meter ³	636,837	-	636,837	6,733	643,570	49,037	594,533	7.6%
Business Assistance	1,922,158	-	1,922,158	4,769	1,926,927	366,379	1,560,548	19.0%
Certified Unified Program Agency (CUPA)	1,181,600	-	1,181,600	-	1,181,600	249,148	932,452	21.1%
Employee Benefits	208,931,346	-	208,931,346	23,686	208,955,032	43,573,207	165,381,825	20.9%
Park Development ⁴	1,053,575	-	1,053,575	-	1,053,575	511,202	542,373	48.5%
Parking & Business Area Improvement	5,951,500	-	5,951,500	-	5,951,500	975,769	4,975,731	16.4%
SERRF	46,352,085	-	46,352,085	63,158	46,415,243	14,155,348	32,259,896	30.5%
SERRF JPA	12,130,340	-	12,130,340	-	12,130,340	-	12,130,340	0.0%
Special Advertising & Promotion	5,849,888	-	5,849,888	54,179	5,904,067	1,507,428	4,396,639	25.5%
Tideland Oil Revenue	200,297,964	-	200,297,964	-	200,297,964	54,185,075	146,112,889	27.1%
Towing ⁵	9,238,168	-	9,238,168	2,937	9,241,105	994,561	8,246,543	10.8%
Upland Oil ³	20,718,698	-	20,718,698	-	20,718,698	1,980,730	18,737,968	9.6%
SUBTOTAL	\$ 891,668,160	-	\$ 891,668,160	\$ 1,429,671	\$ 893,097,830	\$ 214,503,862	\$ 678,593,968	24.0%
TOTAL - All Funds	\$ 2,214,795,439	\$ 442,797,473	\$ 2,657,592,912	\$ 10,914,765	\$ 2,668,507,677	\$ 470,613,671	\$ 2,197,894,006	17.6%

Notes:

- ¹All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years.
- ²Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.
- ³Amount is low due to prior year-end accounts payables that were reversed this fiscal year, which will be offset by payments made against FY 07 accrued expenses.
- ⁴Amount is high due to a one-time budget transfer to the CIP to pay for various parks projects.
- ⁵Operational expenses are in line with budget, budgeted transfer expenses have not been made as to date.



Focus On Results Quarterly Results Narrative

Department: City Manager's Office
 Quarter: First Quarter, FY 07
 25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of Council agenda items provided	201				201	195	103%	780	26%
Number of information items provided to the Mayor and City Council	103				103	121	85%	481	21%
Number of press releases issued	82				82	75	109%	300	27%
Number of media alerts prepared	107				107	90	118%	360	30%

Results Narrative

Council Agenda Items: A total of 201 Council agenda items were provided through the City Council Support Program during the 1st Quarter of FY 07. This total represents 103 percent of the projected target for the Quarter and can be attributed to a number of factors. A significant number of the items related to the procurement of services or materials to the City, while some dealt with land-use issues. It is anticipated that items relating to these issues will continue during the fiscal year as staff acquire services and materials to complete projects. Decisions relating to land-use issues are critical as the City implements plans for the future of the community. All agenda items are important to the community as they affect the residents of Long Beach and those that conduct business within the jurisdiction of the Council.

Information Items Provided to the Mayor and City Council: Information items provided to the Mayor and City Council through the City Council Support Program amounted to 103 during the 1st Quarter of FY 07, which represented 85 percent of the Quarterly target of 121. The amount was below this target but it is expected to increase as the year progresses and the Mayor and Council request more information, especially as the budget development process gets underway. October was the highest month with 41 informational items provided. The informational items provided include ceremonial events for the outgoing 6th District Council member and the renovation of California Recreation Center. Information provided to the Mayor and City Council not only assists them in representing their constituents but also contributes to a well-informed legislative body.

Press Releases: The number of press releases issued by the City Communication Program exceeded the target for the 1st Quarter of FY 07 by 9 percent. Generally, press releases are designed to provide external audiences (community and the media) with information about upcoming events and news about the City. In the 1st Quarter of FY 07, the City Communication Program team prepared the press releases and served as consultants for the following issues: the Police Officers' shooting, Bixby Knolls Halloween incident, Paradise Apartment fire, revision of poverty statistics for Long Beach, pothole repairs, beach closures, Reverse 9-1-1, beach closures and pump stations, Planning and Building Development Center opening, and wind damage and power outages. A first-time achievement for the City Communication Program team was the placement of a 6-page article, "How Long Beach Weathered the Storm and Restored its Fiscal Health", in Western City magazine. All of the efforts of the City Communication Program resulted in increased transparency with the community which contributed to increased awareness of City issues, particularly for the individuals living and working in Long Beach.

Media Alerts: The City Communication Program team prepared 107 media alerts and achieved 113 percent of the Quarterly target. Generally, media alerts are designed to provide internal audiences (City Council and department heads) with information about current events, public information requests and important City business. The number of media alerts issued during the fiscal year may exceed the year-end target of 300 as a result of increased publications and communication strategies. The media alerts prepared included the following issues: revision of poverty statistics for Long Beach, pothole repairs, beach closures, Reverse 9-1-1, beach closures and pump stations, wind damage and power outages. In addition to the preparation of the media alerts, the City Communication Program team developed and distributed 12,500 copies of CityWorks, a new business newsletter for the community and created an on-line communications survey for City employees. Media alerts establish consistent communications between City staff and the media and helps to improve overall information provided the community.



Focus On Results Quarterly Results Narrative

Department: **Community Development**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of businesses receiving services	769				769	760	101%	3,090	25%
Number of parcel acquisitions completed	19				19	21	90%	80	24%
Number of adults receiving employment services	4,751				4,751	3,999	119%	15,996	30%
Number of youth ages 14-24 receiving employment services	839				839	595	141%	8,720	10%

Results Narrative

Businesses Receiving Services: The Business Services Program provided assistance to 769 businesses in the city of Long Beach, exceeding its proposed 1st Quarter target of 760 for FY 07. Support for small businesses is a priority in Long Beach including assistance with project development, marketing, technical assistance, access to capital, incentives and business improvement districts. Meeting the increasing demand for Business Services is an ongoing challenge for the Program throughout the year. Business services and assistance are critical to retaining businesses. Financing, business workshop attendance, site assistance and incentives allow Long Beach businesses the opportunity to provide employment opportunities, products and services to a varied customer base throughout the fiscal year, a priority of the City Council.

Parcel Acquisitions Completed: In the 1st Quarter of FY 07, 19 parcel acquisitions were completed in the City of Long Beach through the Acquisition and Leasing Program, approximately 90 percent of the proposed Quarterly target, a result of fluctuations in development demand. These acquisitions support development and housing projects carried out by the City. This quarter includes acquisitions for the Downtown Project Area, North Project Area, Central Project Area and open space in the Westside Project Area. Parcel acquisition is vital to the City's ongoing effort to revitalize targeted areas and improve the overall quality of life of our residents, a priority of the community and the City Council.

Adults Receiving Employment Services: In the 1st Quarter of FY 07, the Career Development Services Program provided employment services to 4,751 adults, exceeding the proposed target of 3,999 by 19 percent. December service levels typically dip due to decreased unemployment rate, seasonal variables and holiday closures. Fluctuations in service levels can also be attributed to mass layoffs, targeted recruitments and changes in unemployment rates. The adult employment services measure is based upon distinct monthly cases in which an individual may be receiving several sources of assistance. Data is based upon monthly distinct user reports from CalJOBS. The Workforce Development Bureau's targeted industry initiatives (Construction Jobs Initiative, Health Care Collaborative, and Transportation/Logistics) have provided opportunities to keep better pace with increasing demand for job training. This is important to the City of Long Beach because preparing the adults of our community for success is a City Council priority and a worthwhile investment in our collective future.

Youth Ages 14-24 Receiving Services: The Youth Development Program delivered services to 839 youth ages 14-24 in the 1st Quarter of FY 07, exceeding the 1st Quarter target of 595 by more than 41 percent. This is a significant level of services for at-risk youth who were given access to a variety of City resources in areas critical to a successful future. The results represent a total count of each instance in which a youth accesses Community Development youth services. Reporting includes youth visiting the Youth Opportunity Center's Resource Center, enrolling in the WIA Youth Development Program and participation in the Inspired Internship Program. Fluctuations in service levels can be attributed to program service schedules, school schedules and seasonal changes. Preparing our City's youth to succeed is a high priority of the community and the City Council, and an essential component of building a better Long Beach.



Focus On Results Quarterly Results Narrative

Department: **Financial Management**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Total number of utility customer inquiry responses completed	144,767				144,767	145,000	100%	584,000	25%
Number of parking citations processed	105,965				105,965	99,000	107%	396,000	27%
Number of new/renewed business licenses and entertainment/other permits	1,356				1,356	1,805	75%	7,218	19%
Number of vendor payments made	22,749				22,749	23,506	97%	100,965	23%

Results Narrative

Utility Customer Inquiry Responses: The Utility Customer Services Program provides for the needs of 177,000 utility customers in the City with gas, water, sewer, and refuse billing, and gas appliance appointment-related services. As many as 17,000 or 13 percent more customers were served in the 1st Quarter of FY 07 than in the 1st Quarter of last year. Customer services are provided through phone, in person in the Lobby of City Hall, and Internet customer self-service. The Program constantly strives to improve its offerings to customers. Some of the improvement in the number of customers served from the comparable period last year is the result of targeted efforts in the Call Center. As a team effort, staff has focused on increasing the amount of time that they are available to respond to customer contacts. In particular, two positive results have occurred: 76 percent of customers were responded to within one minute in the month of December; all while three percent more customers were served overall. The remaining improvement is the result of increased utilization of customer self service by shifting the work of accepting credit card payments by Call Center staff to payments being handled in the automated system.

Parking Citations Processed: For the 1st Quarter of FY 07, the General Billing & Collections Program processed 105,965 parking citations, which is 5,782 more than last year at the same time. Parking citations for the entire City are centrally processed by the Business Services Division of the Commercial Services Bureau in the lobby of City Hall. Seven staff members process, bill, and collect payments for parking citations issued by organizations throughout the City. Parking citations are issued by the Police Department, Public Works Street Sweeping and Airport, Parks, Recreation, and Marine, Community Development Code Enforcement, Harbor Department, Fire Department, Long Beach City College, the California Highway Patrol, and the Los Angeles County Sheriff. In general, more parking citations are issued during the summer months, as the number of visitors increases.

Business Licenses and Permits: In the 1st Quarter of FY 07, business licenses are being sought or renewed at a lower than expected rate due to seasonal variations, but targets are based on a straight-line projection and are still considered accurate for the full year. It is estimated that 34,500 licenses and permits will be issued. Projected City business license and permit revenue for FY 07 is expected to be approximately \$11.6 million. The Business License Counter for in-person service is located on the 4th floor of City Hall. Five office staff and four field inspectors process new applications, renew annual licenses and permits, and enforce business license regulations throughout the City. One license inspector works weekends, emphasizing garage sale and itinerant vendor enforcement. Quality business licensing and permits establishes the standards for doing business in the City and insures that Long Beach businesses and residents receive timely, uninterrupted approval to do business in the City.

Vendor Payments: The Accounting Program provides centralized payment processing for all City Departments (excluding Gas & Oil, Water and Harbor departments) to ensure timely and accurate vendor payments and to provide information to the vendors on the status of payments. In the 1st Quarter of FY 07, 22,749 vendor payments were processed, falling short of the projected target by three percent, due to slower activity at the beginning of the new fiscal year. The section also works with Departments to coordinate the timing of payments. Processing timely vendor payments helps to minimize service disruptions and eliminates late fees, saving money for the City.



Focus On Results Quarterly Results Narrative

Department: **Fire**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Percentage of structure fires confined to the room of origin	72%				72%	100%	72%	100%	72%
Percentage of on scene arrival of first appropriate unit for all emergency calls within 6 minutes or less (from call initiation to arrival on scene)	74%				74%	90%	83%	90%	83%
Percentage of on scene arrival of BLS ambulance within 10 minutes or less (from dispatch to arrival)	74%				74%	90%	82%	90%	82%
Percentage of fire emergency calls processed by Communications (answered to dispatch) within 60 seconds	81%				81%	100%	81%	100%	81%

Results Narrative

Structure Fires Confined to the Room of Origin: The percentage of fires that were confined to the room of origin decreased slightly in the 1st Quarter to 72 percent as compared to 78 percent for all of FY 06. The measure of the percentage of structure fires confined to the room of origin indicates the timeliness and thus the effectiveness of the responders; the more skillful and aggressive responders there are combating a fire the higher the chances are of containing the fire to the room of origin, but it is also dependent on how soon 9-1-1 calls are placed, which is also impacted by fire alerting systems. This is an important performance measure to the community because the quicker the response to the fire scene, the quicker our firefighters can contain the fire and limit its damage to persons and property.

Emergency Response Time: The measure of the on-scene arrival of the first appropriate unit for all emergency calls within 6 minutes or less is a direct measure of the response capability of First Responders. In the 1st Quarter of FY 07, the Emergency Response Operations Program was able to respond to emergencies within 6 minutes or less, 74 percent of the time, which is consistent with the performance in FY 06. While this response time remains below the target of reaching emergencies under 6 minutes 90 percent of the time, there are a number of challenges the Department seeks to overcome. For instance, a lower percentage for this measure may indicate that the responders are responding to more total calls, limiting the immediate availability of units to respond. Also, units may be traveling further distances or going through increasingly congested areas (due to increased development) to arrive at the scene. The measure is also directly correlated with the number of available units; the more units that are available to respond, the higher the percentage of units arriving within 6 minutes or less.

Basic Life Support (BLS) Response Time: The Basic Life Support (BLS) ambulance services achieved an on-scene arrival response time of under 10 minutes, 74 percent of the time in the 1st Quarter of FY 07. This performance is similar to the 76 percent mark that was achieved for FY 06. Circumstances occur where the closest responders are already on a scene so a secondary unit from another station will be dispatched to the request for BLS service. The on-scene arrival time of BLS units can also be affected by an increased workload. As the number of dispatched responders increases due to the increased demand for services in the City, the lower the percentage for the on-scene arrival target. Lowering the response time is an important priority of this Department as a way to better serve Department customers.

Emergency Dispatch Response Time: In the 1st Quarter of FY 07, the Communications Program was able to process fire emergency calls (answered to dispatch) within 60 seconds, 81 percent of the time. While this is below the target of 100 percent, the Communications Program Staff is committed to dispatching all calls as quickly as possible after triaging the call appropriately. For many members of the community (residents, visitors and businesses) their first point of contact with the Fire Department is through making an emergency or 9-1-1 call to the Police Department's dispatchers, who transfer the call to Fire Department dispatchers, requesting assistance for a fire, medical emergency or other type of emergency. The City's performance target is for Police and Fire department staff to answer, transfer, triage, and dispatch support to the incident within 60 seconds. As the volume of all emergency calls increases, this may negatively affect (lower) the percentage of fire emergency calls processed within 60 seconds.

All of these measures demonstrate the ability of the department to respond to the community utilizing the current available resources. Continued development will result in a greater demand for services from the Fire Department as well as creating a more congested (traffic) environment in which responders need to travel. An increase in response times can affect the ability to contain fires to room of origin and providing other emergency assistance. The members of the Long Beach Fire Department are committed to providing quality and appropriate service to the public in a timely manner.



Focus On Results Quarterly Results Narrative

Department: **Health & Human Services**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of routine inspections completed (food facilities)	636				636	849	75%	3,396	19%
Number of animals impounded	2,366				2,366	3,198	74%	12,792	18%
Number of homeless client encounters	6,313				6,313	6,249	101%	24,996	25%
Number of immunizations given	6,471				6,471	3,999	162%	15,996	40%

Results Narrative

Routine Inspections Completed: The The Food & Housing Enforcement Program, as provided for by the California Uniform Retail Food Facilities Law (CURRFL, revised January 1, 2006), performs a range of activities to address the health and sanitation of retail food facilities within the City limits. During this reporting period, staff completed routine inspections of 636 food facilities, approximately 75 percent of the target of 849 inspections in the 1st Quarter of FY 07. Due to resignations, the department experienced ongoing staff shortages for much of the Quarter, with a maximum of 80 percent of full staffing only achieved briefly. To address staffing shortages, two new inspectors were hired near the end of the Quarter, and interviews are currently underway to hire one additional inspector. Continued efforts to provide inspection of food facilities are being undertaken to protect the health and well being of City residents and visitors, and insuring compliance with local and state laws and regulations.

Animals Impounded: The Animal Shelter Operations Program provides shelter and care to stray and relinquished animals impounded at the Companion Animal Village. In the 1st Quarter of FY 07, animal impounds reached 2,366, which is 18 percent of the annual target and below average when compared to past years. Historically, animal impounds during the fall and winter months are lower than spring and summer months when kittens/puppies are born and often turned into the shelter. A below average number of animal impounds during the 1st Quarter months was therefore anticipated. Staff continues to develop programs to encourage animal adoptions and promote responsible pet ownership, which will ultimately lead to a reduction in number of pets turned into the shelter for behavior problems, a decrease in the animal overpopulation problem and fewer aggressive and sick animals running stray, preserving the health and safety of our overall community.

Homeless Participant Contacts Completed at the Multi Service Center (MSC): The Homeless Services Program provides case management, counseling, support services and housing referrals to homeless participants that come to the MSC. The Program made over 6,313 individual contacts in the 1st Quarter of FY 07, exceeding the projected target by one percent. Continued efforts to decrease homelessness by providing community-based outreach and housing to homeless individuals/families is being undertaken so they can lead improved and productive lives, benefiting the overall community.

Immunizations Given: Immunizations administered during the 1st Quarter of FY 07 reached 2,472, or 62 percent higher than projected, because of the November Flu clinic. The number of immunization given will vary from month to month, mainly due to seasonal annual flu vaccine clinics and annual back-to-school registration. This year the City expects a slight increase in vaccines in the coming months due to the new Centers for Disease Control (CDC)-recommended Human Papillomavirus (HPV) immunization that protects cervical cancer in girls 9-26 years of age. Health promotion, disease prevention and clinical services to women, children, youth and seniors are a key element of overall community health and safety.



Focus On Results Quarterly Results Narrative

Department:
Quarter:

Human Resources
First Quarter, FY 07
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Total safety training hours	3,150				3,150	2,500	126%	25,000	13%
Number of safety consultations conducted	265				265	300	88%	1200	22%
Number of personnel operations consultations provided	7,716				7,716	7,500	103%	30,000	26%
Number of active employees and retirees served with benefits information	9,409				9,409	8,100	116%	32,400	29%

Results Narrative

Safety Training Hours: Total Number of Employees Receiving Training was revised to a new output measure of total safety training hours for industry benchmarking purposes. This change was implemented in the month of December. The value of measuring total training hours is to evaluate the effect that time spent in training has on reducing employee injuries and illness. Employees spent over 3,000 hours in training classes during the month of December. Performance exceeded the target by 26 percent, which is a reflection of the importance the City has placed on workers safety organization-wide. Safety training is an important component of decreasing the overall occupational injury and illness rate, contributing to the health of employees who deliver core services to the community.

Safety Consultations Conducted: City Safety Staff completed 265 safety consultations during the 1st Quarter of FY 07. A safety consultation is any assistance (including site visits and inspections) by Program staff to determine if improvements to work spaces and work practices are needed, and leads to a safer work environment. Safety consultations fell below the target by 12 percent partly due to the Holidays. Throughout the year, safety consultations fluctuate as a result of policies or programs being implemented. Safety consultations contribute to the overall safety and well being of employees. This is important to the community because a healthy workforce results in the delivery of core services.

Personnel Operations Consultations: The Personnel Operations Program provided 7,716 personnel operations consultations in the 1st Quarter of FY 07 which exceeded the 1st Quarter target of 7,500 by 3 percent. The FY 07 target for this measure was increased after finding the original FY 06 target for the first year of tracking had been underestimated. Personnel operations consultations provide internal support to departments and employees regarding policy interpretations, employee relations, labor law, ADA/FEHA compliance, payroll/personnel system procedures, and disciplinary issues. This Program is important to the community because it focuses on retention and career development of the City's workforce who delivers important services to the community.

Employees and Retirees Served With Benefits Information: The Employee Services and Benefits Program served 6,230 active and retired employees, via mailings and telephone contacts, health, dental and vision benefit information, on 9,409 occasions during the 1st Quarter of FY 07. This was 116 percent of the anticipated target for the Quarter. Additional benefits information regarding the status of our healthcare optimization review and open enrollment was sent to employees this period. When the healthcare study is completed, communication materials to employees and retirees will be enhanced to assist them with better understanding their benefits options. Providing excellent employee and retiree benefits services is an important part of ensuring that the City continues to maintain the most competitive and effective benefits program, thus, promoting a healthy and stable workforce so that employees continue to provide excellent results to customers.



Focus On Results Quarterly Results Narrative

Department: **Library Services**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of library resources used	749,120				749,120	770,262	97%	3,081,048	24%
Number of library materials checked out/used on site	397,625				397,625	434,043	92%	1,736,172	23%
Number of youth served through literacy development programs	19,290				19,290	25,545	76%	102,180	19%
Number of students provided homework assistance through Family Learning Centers	7,025				7,025	6,603	106%	26,412	27%

Results Narrative

Library Resources Used: Through the Library Resources Program, Library patrons have the opportunity to use various resources such as books, media, web hits, computers and much more. The number of library resources used by library customers through the 1st Quarter of FY 07 was almost 750,000, slightly under the projected year-to-date target. The number of library resources used has increased when compared to the same period last year due to the anticipated restoration of library hours in FY 07. There is a significant increase in the use of electronic database information accessed through the Library's website that was recently upgraded. An increase in the number of library resources used is expected to increase as the neighborhood library hours are fully restored. Demand for materials to meet informational, educational and recreational needs remains strong.

Library Materials Used Check Out / Used On Site: Through the Library Resources Program, Library patrons have the opportunity to use library materials while visiting the library or to take home for later use. This includes the Library's "physical" resources such as books and media (e.g., DVDs, CDs and books on tape). The number of library materials checked out or used on site by library customers through the 1st Quarter of FY 07 exceeded 397,000, or 92 percent of the projected Quarterly target. There has been a slight decline in the number of materials used by library patrons when compared to the same period last year. The decline could be attributed to a slight shift from the use of physical resources to the use of electronic resources available through the Library's website. In addition, with the exception of the restoration of Main Library's Sunday hours, the neighborhood libraries are still operating with a reduced schedule. As operating hours are restored, the Library will be able to meet the demand for library resources to meet the community's informational, educational and recreational needs.

Youth Served Through Literacy Programs: The Youth Literacy Development Program provides various youth literacy services including preschool reading programs, school class visits, summer reading club, after-school reading clubs and teen programs. The year-to-date number of youth served is greater when compared to the same period last year, although the number of youth served reached approximately 19,000 through the 1st Quarter, or only 75.5 percent of the projected target. A decrease in December reflected an expected seasonal decline. Increased participation is expected in the third and fourth quarters due to significant participation in library summer reading programs. Continued efforts to provide quality youth programs are a high priority so children can experience a positive impact in school readiness and school achievement.

Students Provided Homework Assistance: Through the Youth Literacy Development Program, students can receive homework assistance and one-on-one tutoring at the Family Learning Centers (FLC) located at the Main Library and all neighborhood libraries. Each FLC has specialized computers with Internet access so students may work on class projects. The number of students receiving homework assistance through the Youth Literacy Development Program exceeded 7,000 students through the 1st Quarter, exceeding the year-to-date target by 6 percent. The Department is currently in the process of hiring additional Homework Helpers to assist in FY 07 expanded library and FLC hours, which will result in increased service provided to youth seeking homework assistance. Increased homework assistance will assist students in achieving school success.



Focus On Results Quarterly Results Narrative

Department: Long Beach Gas & Oil
 Quarter: First Quarter, FY 07
 25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Annual revenue from energy sales from SERRF	\$6,142,010				\$6,142,010	\$5,254,200	117%	\$24,190,000	25%
Average residential monthly gas bill	\$37.52				\$37.52	\$35.20	107%	N/A	N/A
Percentage of gas and water service call requests responded to within three business days.	100%				100%	100%	100%	100%	100%
Number of barrels of oil produced from Wilmington Oil Field	3,661,990				3,661,990	3,527,376	104%	11,920,249	31%

Results Narrative

Annual Revenues from SERRF: The Southeast Resource Recovery Facility (SERRF) is a mass-burn waste to energy facility in the City's Waste to Energy Program that incinerates residential and commercial refuse and generates electricity. The electricity is used to power SERRF (15 percent), with the remainder (85 percent) being sold to Southern California Edison. It is expected that SERRF will earn over \$24 million in revenue for energy sales in FY 07. For the 1st Quarter of FY 07, SERRF earned approximately \$6.14 million in revenue for electricity generated, which is \$887,810 or 17 percent over the Quarterly target of \$5,254,200. This increased activity is a result of an improved preventative maintenance program and dry weather. Calendar year 2006 has been a record year for electrical production. This is largely due to the below average amount of rainfall in Long Beach and its surrounding communities (wet waste takes more energy to burn, decreasing the amount for sale to SCE's grid). The Waste to Energy Program contributes directly to the creation of an environmentally-friendly city for the citizens of Long Beach.

Average Residential Gas Bill: A key goal of the Long Beach Gas & Oil Department (LBGO) is to ensure that Long Beach customers' bills are comparable to surrounding gas utilities. Through the efforts of the Natural Gas Purchase and Sales Program in the 1st Quarter of FY 07, the average LBGO residential customer gas bill was \$37.52 per month based on the average number of residential therms used for each month, the total monthly service charge, transmission charges, and commodity costs. For the 1st Quarter of FY 07, the average LBGO residential bill was \$2.32, or approximately seven percent, more than the average Southern California Gas residential bill. The agreement provides price stability and price protection against market fluctuations, by providing a price ceiling and floor for gas commodity purchases. The cost of the price ceiling protection is partially offset by a volume purchase at a fixed price during the winter months of November through February. During these months, it is possible that the LBGO average gas bill will be higher than SoCalGas, due to the fixed price purchase requirement; however, it is believed that the price protection provided in the contract more than offsets the minimal bill differential that may occur. An annual target has not been established because Southern California Gas' comparison pricing information is only published monthly.

Gas and Water Service Call Response: The Gas and Water Service Response Program provides for prompt handling of customer service requests from LBGO customers, to ensure that customers have a safe and reliable supply of gas in a timely manner. The Department has a customer service standard to respond to all non-emergency gas and water service call requests within three business days or sooner. Emergency requests are handled on the same day. It is expected that the Department will respond to all non-emergency gas and water service calls requests within three business days in FY 07. For the 1st Quarter of FY 07, the Department succeeded in meeting its target of 100 percent. This target was partially achieved through the implementation of overtime usage. This measure is important to ensure that LBGO customers continue to receive a safe, reliable supply of gas as well as excellent response times.

Oil Production: In the 1st Quarter of FY 07, the Production and Subsidence Management Program was responsible for the production of approximately 3.66 million barrels of oil from areas of the Wilmington Oil Field. This is approximately 135,000 barrels, or 4 percent greater than the FY 07 Quarterly target and 1 percent less than last year at this time. Current year performance can be attributed to directing resources toward drilling new wells, investment in well work, a proactive maintenance program and a focus on reducing downtime. These efforts provide greater oil profits for stakeholders, including the State of California, the City and Port of Long Beach, as well as various private entities.



Focus On Results Quarterly Results Narrative

Department:
Quarter:

Parks, Recreation & Marine
First Quarter, FY 07
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of class enrollments provided	7,181				7,181	5,899	122%	32,224	22%
Number of department-provided sports participants	47,680				47,680	36,183	132%	207,280	23%
Number of Nature Center visits provided	33,916				33,916	30,746	110%	138,769	24%
Number of golf rounds completed	105,519				105,519	104,184	101%	465,467	23%

Results Narrative

Class Enrollments Provided: The Recreation Classes Program delivers over 2,000 fee-based recreational and enrichment classes annually. Recreation class enrollments for the 1st Quarter of FY 07 reached 7,181 participants, exceeding the quarterly target* by 22 percent. The increase in enrollments is attributed to the addition of new classes, improved marketing, and the fact that the spring class schedule (for FY 07) was distributed earlier than in the prior year. Recreation classes are excellent opportunities for individuals and families to develop new skills, improve personal health, and explore new interests. Thus, it is essential that they reflect the diverse needs and interests of the community.

Department-Provided Sports Participants: The Sports Program provides recreational team sports opportunities for youth and adults across the City. These opportunities include department-provided leagues, such as basketball, softball and baseball, as well as fields and facilities for community-based sports leagues (e.g., Little League, AYSO). The 1st Quarter total for FY 07 reached 47,680 sports participants, exceeding the quarterly target* by 32 percent. The increase is attributed to high levels of program popularity, improved record keeping, and the fact that the 1st Quarter total for FY 06 (i.e., the 1st Quarter target for FY 07) was low due to a high number of game rainouts. Monthly and Quarterly totals reflect the number of days individuals participate in sports programs (i.e., "participant days"). Recreational sports are important to the community as they promote physical fitness and skill development, provide positive outlets for aggression and competition, and offer opportunities for social interaction, inclusiveness and teamwork.

Nature Center Visits Provided: Nature Center visits for the 1st Quarter of FY 07 exceeded the Quarterly target* by 10 percent. The overall increase is attributed to increased participation in special events, favorable weather, and improved record keeping. The Environmental Stewardship Program provides a wide variety of nature-oriented leisure opportunities for individual families, and groups. These opportunities include classes, habitat restoration activities, self-directed nature walks, interpretational nature tours and special events. The anchor of the Environmental Stewardship Program is the El Dorado Nature Center. Environmental leisure and stewardship opportunities are important for community members to enjoy, understand, respect and care for the natural world.

Golf Rounds Completed: The number of golf rounds played on the City's five courses in 1st Quarter of FY 07 met the Quarterly target*, reaching 105,519 rounds of golf completed. City-owned golf courses provide key opportunities to golfers young and senior for physical activity and to experience greater quality of life from the social nature of the game.

** Targets are based on actual performance from the same reporting period in the prior year.*



Focus On Results Quarterly Results Narrative

Department: **Planning & Building**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of customers served at the Development Services Center	16,381				16,381	18,600	88%	79,800	21%
Number of construction inspections completed	21,686				21,686	21,249	102%	84,996	26%
Number of major public hearing land use requests reviewed (Planning Commission)	58				58	30	193%	120	48%
Number of Certificate of Appropriateness applications reviewed	108				108	62	174%	332	33%

Results Narrative

Customers Served at the Development Services Center (DSC): In the 1st Quarter of FY 07, the Building Permits Program helped 16,381 customers to obtain permits, design structures and operate businesses, approximately 12 percent below the Department's 1st Quarter target of 18,600 customers served. The number of customers served at the public counter is largely driven by demand. During the winter months of October, November and December the Department anticipated a decrease in projects, land use requests and customers at the Development Services Center due to the colder weather, which is historically the Department's slowest quarter. However, of the customers who did visit the DSC, 74 percent of the 16,381 customers waited less than 30 minutes. Providing customers with an efficient and effective one-stop shop for zoning and land use decisions is a critical piece of maintaining the community's vision for the City's built environment while ensuring a high level of compliance and customer satisfaction.

Construction Inspections Completed: The 1st Quarter of FY 07 brought another surge of inspection activity, reaching 21,686 or 102 percent of the YTD target. Out of these inspections conducted, 95 percent of the 21,686 customers received inspections within 24 hours. An inspection program that delivers quality services in a timely manner more effectively facilitates safe and sustainable development in compliance with federal, state and local health and safety mandates.

Major Public Hearing Land Use Requests Reviewed: The number of major land use proposals reviewed by the Community Design and Development Program reached 58 in the 1st Quarter of FY 07, which is 93 percent over the YTD target. Although the winter months of October, November and December the Department historically sees a decrease in development projects, the increase in planning cases seen in this quarter will translate into building and inspection cases in the months to come, which continues to be a positive sign of growth and renewal in Long Beach.

Certificate of Appropriateness Applications Reviewed: The Historic Preservation Program seems to be gaining momentum in the community with the number of applications for Certificate of Appropriateness being significantly above quarterly projections. The Historic Preservation Program reviewed 108 applications for historical appropriateness in the 1st Quarter of FY 07, which is 74 percent more than the original target of 62 applications reviewed. A high quality Historic Preservation Program provides important historic preservation and rehabilitation services to sustain the unique tradition and personality of the Long Beach community.



Focus On Results Quarterly Results Narrative

Department: **Police**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of prisoners booked in City jail	4,561				4,561	4,830	94%	18,720	24%
Priority One response time (average time in minutes from dispatch to arrival at scene)	4.4				4.4	5.0	88%	5.0	88%
Number of violent crimes per 1,000 population	N/A				N/A	2.0	N/A	7.9	N/A
Number of Neighborhood Watch organizations supported	273				273	273	100%	273	100%

Results Narrative

Prisoners Booked in City Jail: For the 1st Quarter FY07, the number of prisoners booked in the City's jail was 269, or 5.5 percent prisoners less than the proposed target. Active anti-crime Task Forces by all four Patrol Divisions served as a deterrent and kept the Holiday crime rate lower than in past years, reducing the number of prisoners booked, a continued positive sign of increased community safety. The number of prisoners booked refers to the number of arrestees that were held in the Long Beach City jail, compared to arrestees that are booked then released, (i.e., arrestee posts bail). Meeting the demand for high quality jail services is an important part of law enforcement, ensuring that detainees are provided convenient access to medical care, meals, access to legal representation and the courts. The Jail Program remains an important component of community safety.

Response Time for Priority One Calls: During the 1st Quarter FY07, the average Priority One response time was 4.4 minutes. Priority One response time is the average amount of time from when a Police black & white patrol vehicle is dispatched to when the first responding unit arrives for a call for police service where there is an immediate threat to life and property, (e.g. an armed suspect is at the reported address). Response time exceeded its performance target for the Quarter, indicating that patrol vehicles are available to arrive at the scene quickly. A recent survey of the community revealed a remarkable 75.8 percent of those surveyed agreed the Police Department responds quickly in emergencies. This responsiveness contributes to the safety and well being of the community and is an important indicator of effective customer service and efficient operations.

Violent Crime Rate: Protracted problems with the Police Department's Records Management System since May 2006 have made timely and reliable violent crime statistics unavailable for the past 7 months, including the 1st Quarter of FY 07. The number of violent crimes per 1,000 population is the rate of murders, rapes, aggravated assaults, and robberies that were committed per 1,000 population based on a population of 491,000. Reporting violent crime numbers in this manner, allows for easy comparison with other cities. Overall, reduction of violent crime is a top priority of the Long Beach Police Department and City Council, making the community safer for residents and visitors.

Neighborhood Watch Organizations Supported: There were 273 active Neighborhood watch programs in the 1st Quarter FY07, which is the same number as FY 06. The number of Neighborhood Watch organizations supported is the current number of Neighborhood Watch groups that have been organized through the Police Community Relations Division and are active. This program aids in the Department's crime prevention effort and provides our customers a sense of involvement and community partnership; developing trust and increasing confidence between citizens and the Police Department.



Focus On Results Quarterly Results Narrative

Department: **Public Works**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of scheduled vehicle & equipment preventive maintenance services completed	1,329				1,329	1,455	91%	1,114	119%
Number of illegal dumping responses completed	1,050				1,050	651	161%	3,000	35%
Number of incident responses by Street Maintenance Division	925				925	300	308%	1,200	77%
Number of right-of-way permits issued	166				166	215	77%	845	20%

Results Narrative

Vehicle & Equipment Maintenance Completed: Preventive maintenance service for the City's fleet ensures that vehicles and equipment will be available and functional when they are needed. Fleet vehicles include police cars, fire engines, street sweepers and refuse trucks. Based on the current size of the City's fleet, 485 vehicles per month are expected to be provided with preventive maintenance service. In the 1st Quarter of FY 07, the Fleet Maintenance Program did not meet the expectation based on a shortage of mechanics during the holidays due to end of year vacations, supervision and shift changes. The Fleet Maintenance Program performed 1,329 scheduled preventive maintenance requests during the 1st Quarter of FY 07 as compared to 1,114 scheduled preventive maintenance requests during the same period of FY 06. The FY 06 1st Quarter target was understaffed, as it was based on backlogged scheduled preventive maintenance requests in the previous year. Maintaining high quality preventative fleet maintenance is a crucial aspect of protecting the City's investment in vehicles and equipment, and providing employees with the tools they need to deliver core services to the community.

Illegal Dumping Responses Completed: For the Refuse Collection Program, debris from 1,050 incidents of illegal dumping was removed from City streets during the 1st Quarter of FY 07, reflecting a 49 percent year-to-date increase in service requests fulfilled over the projected target for the year. This success can be attributed to service improvements and the use of 20 surveillance cameras placed throughout the City to keep our neighborhoods and businesses cleaner and safer, as well as more resources committed to provide these services through the Clean Long Beach litter abatement program. While resources will be spent to continue improved response levels, a more sustainable approach will be to allocate resources toward prevention and enforcement of illegal dumping in the long-term.

Street Maintenance Incident Responses: For FY 07, the Streets/Drainage Maintenance Program was anticipating to respond to 1,200 calls for both emergency and non-emergency service requests. This measure includes street call-outs from police and fire for field support such as traffic or crowd control, portable lighting installation and tree call-outs for fallen trees or limbs. For the 1st Quarter alone, the Department responded to 925 calls for service, which is 625 more than the Quarterly target of 300, reflecting a 308 percent increase. The increased demand was mostly due to fallen trees from the high winds experienced during the month of December. The extra calls for service required a diversity of human resources from traditional street maintenance work (e.g., pothole repair) as well as increased use of overtime, approximately 50 percent higher than the same period last year. Emergency response crews provide important public safety support to the community.

Right-Of-Way Permits Issued: The Streets/Drainage Construction Program issued 166 permits during the 1st Quarter of FY 07. This core service is provided to homeowners and developers constructing street improvements and to utilities, private and public, for temporary occupancy excavation below the right-of-way. Performance for the 1st Quarter of FY 07 is 77 percent of the targeted Quarterly amount, but since demand is driven by the fluctuating activity of utility companies and private developers, it is not unexpected. Reduced demand means that the inspection response time is shortened for our customers. Providing timely and efficient services facilitates the ongoing repair and maintenance of our community's critical infrastructure.



Focus On Results Quarterly Results Narrative

Department: **Technology Services**
 Quarter: **First Quarter, FY 07**
25% of FY 07 Complete

Key Budget Measures

Description	QTR 1	QTR 2	QTR 3	QTR 4	YTD	YTD Target	% of YTD Target	FY 07 Target	YTD % of Target
Number of reprographic orders completed	653				653	726	90%	2904	22%
Number of on-site desktop repairs completed	870				870	753	116%	2985	29%
Number of general business application trouble tickets resolved	341				341	315	108%	1260	27%
Number of voice & data network installations completed	430				430	336	128%	1344	32%

Results Narrative

Reprographic Orders Completed: The Reprographics Program completed 653 orders during the 1st Quarter of FY 07, 90 percent of the Quarterly target of 726. The FY 07 targets for this measure were increased based on FY 06 actual performance. While orders completed were below target, completed orders for the 1st Quarter of FY 07 were comparable to the same period in FY 06, since the total number of impressions was similar. To ensure that the Program continues to meet customer demand efficiently and effectively, it is in the process of filling staff vacancies and upgrading aging equipment. The number of reprographic orders completed reflects the number of print and copy jobs that are done by the Reprographics Program in-house and via outside vendors. Providing a high quality Reprographics Program is an essential component of delivering high quality print, copy and educational materials to the community, to the City Council and to departments for internal operations and management.

On-site Desktop Repairs Completed: The number of actual on-site desktop repairs completed by the Technology Equipment Program exceeded the anticipated target of 753 by 117 repairs, which is a 16 percent above target. Due to extended personal computer replacement schedules, the amount of aging equipment in the City workforce is at a higher level, resulting in a significant number of additional requests for service toward the end of a units life cycle. In the next 12 to 24 months, it is anticipated that the remaining desktops in service beyond their replacement cycle will be upgraded. This will result in a reduced number of requested repairs, allowing City staff to work more efficiently and face less down time.

General Business Applications Trouble Tickets Resolved: The Business Information Systems Program resolved 341 general business application trouble tickets, 8 percent over the target of 315. General business applications include e-mail, Internet/Intranet, human resource management, geographic information and workers' compensation systems. Higher than projected performance may reflect increased demand for system functionality. The Department expects to complete upgrades in a number of general business systems in FY 07 (e.g., e-mail, HR, GIS), which will add functionality to these core systems and promote efficiency of City staff who utilize these systems. Improvements in Internet/Intranet applications will benefit both public and internal customers in disseminating a wide range of pertinent information.

Voice & Data Network Installations Completed: Voice and Data Network Program staff completed 430 installations, 28 percent above the 336 installations of voice and data network devices anticipated. Despite 1st Quarter demand, at this time the Department anticipates on-target performance overall in FY 07. To date, approximately 1,900 phones in the City have been changed to the new Cisco Voice Over Internet Protocol (VOIP) phone system, with an additional 4,500 phones requiring replacement. It is anticipated that replacing the remaining phones will cover a period of four years. The Cisco phone system provides employees with expanded capabilities that the Meridian system does not offer and ensures that the City's workforce has modern communications equipment to maintain effective service delivery.

Budget Oversight Committee Proposed Agenda Topics

The following are some additional topics recommended for discussion by the BOC:

- GASB 45 – Other Post Employment Benefit Accounting
- Quarterly Budget Performance Reports
- Parking Optimization Update
- Comprehensive Annual Financial Report (CAFR) Review
- Review of Departments' FY 07 Program Budgets and Related Performance Information
- Public Safety Facilities
- Police Staffing: Costs, Results and Options for Funding
- Future Revenue Options
- Develop and Finalize BOC Recommendations for FY 08
- RDA Repayment Schedule Update
- Tax Generating Options; Local Parcel, Mello Roos and Parking Lot
- Review City Council Financial Policies
- Community Outreach Budget Meetings - April/May
- BOC Work Plan
- PERS